

HOUSE BILL 3103

By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 6 and Title 7, relative to the provision of utility services by municipalities in certain circumstances.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, is amended by adding Sections 2 through 8 of this act as a new part.

SECTION 2.

(a) If a municipality provides water service directly to subscribers located within its corporate limits as well as subscribers living outside its corporate limits, once the subscriber base outside the corporate limits is greater than fifty percent (50%) of the subscriber base inside the corporate limits, the area served by the municipality for water service shall be divided into five (5) water utility districts and a five (5) member water utility district board shall be created as provided in this part.

(b) As long as the provisions of subsection (a) apply, the municipality shall divide the area served into five (5) water utility districts of substantially equal population. Such water utility districts shall be reapportioned at least every ten (10) years by the governing body of the municipality based upon the most recent federal census. One water utility district shall be drawn entirely with subscribers residing within the corporate limits of the municipality and the remaining four (4) districts shall be comprised of areas located outside the corporate limits of the municipality, to the greatest extent possible. The governing body of the municipality shall make every effort to draw the lines of the remaining four (4) districts so as to limit the combining of subscribers located within the corporate limits of the municipality with those residing outside the corporate limits.

SECTION 3.

(a) A five (5) member water utility board is hereby created to be composed of one (1) member of each of the water utility districts created pursuant to Section 2. Such member must be an individual receiving the water services provided by the municipality and must have resided in the water utility district the member represents at least one (1) year immediately preceding the election.

(b) The terms of the board shall be for the same length of the terms as apply to the members of the governing body of the municipality; provided that if the terms of the governing body of the municipality are four (4) year terms, then the initial term of the water utility board shall be staggered so that three (3) members shall initially be elected to serve a four (4) year term and two (2) members shall initially be elected to serve a two (2) year term. Thereafter the terms of such members shall be for four (4) years.

Members shall serve until their successors are elected and qualified. If the terms of the governing body of the municipality are two (2) year terms, then the initial term of the water utility board shall be staggered so that three (3) members shall initially be elected to serve a two year term and two (2) members shall initially be elected to serve a one year term. Thereafter the terms of such members shall be for two (2) years.

SECTION 4. An election for the water utility board shall be set to coincide with the municipal election. The governing body of the municipality shall designate specific polling places within the municipality for subscribers of the water utility district to cast their votes for appropriate members of the water utility board.

SECTION 4.

(a) Vacancies on the board shall be filled as follows:

(1) The mayor of the municipality shall appoint a person to fill the seat of the water utility district composed entirely of subscribers living within the corporate limit of the municipality providing the water service.

(2) The county mayor shall appoint the members representing the other four (4) water utility districts.

(b) When twelve (12) months or more remain prior to the next general municipal election, a successor shall be appointed in accordance with subsection (a) to serve until the next municipal general election, at which a successor shall be elected by the subscribers of the district represented by the member, and such successor shall serve the remainder of the original term.

(c) When less than twelve (12) months remain prior to the next general municipal election, a successor shall be appointed in accordance with subsection (a). The term of such member shall expire at the next municipal general election, at which election a successor shall be elected.

SECTION 5.

(a) A majority of the board shall constitute a quorum and the board shall act by vote of a majority present at any meeting attended by a quorum, and vacancies in the board shall not affect its power and authority so long as a quorum remains.

(b) Within ten (10) days after appointment and qualification of members, the board shall hold a meeting to elect a chair. The board shall, at the same time, designate a secretary and treasurer, or secretary-treasurer, who need not be members of the board, and fix the amount of the surety bond that shall be required of such secretary and treasurer, or secretary-treasurer, and shall fix the compensation for such person or persons.

(c) The board shall hold public meetings at least once per month, at such regular time and place as the board may determine. Changes in such time and place of meeting shall be made known to the public as far in advance as practicable.

(d) The board shall establish its own rules of procedure, except as otherwise expressly provided.

(e) All members of the board shall serve as such without compensation, but they shall be allowed necessary traveling and other expenses while engaged in the business of the board, including an allowance not to exceed two hundred dollars (\$200) per month for attendance at meetings. Such expenses, as well as the salaries of the secretary and treasurer, or secretary-treasurer, shall constitute a cost of operation and maintenance of the water utility service provided by the municipality.

SECTION 6. Any member of the board may be removed from office for cause upon a vote of three fourths (3/4) of the members of the governing body of the municipality, but only after preferment of formal charges by resolution of a majority of the members of such governing body at a public hearing before such governing body.

SECTION 7. The board shall keep a complete and accurate record of all meetings and actions taken, and of all receipts and disbursements, and shall make reports of the same to the governing body of the municipality at stated intervals, not to exceed one (1) year.

Such reports shall be in writing, shall be filed in open meeting of the governing body of the municipality, at stated intervals, not to exceed one (1) year, and a copy shall be filed with the municipal clerk or recorder.

SECTION 8. The board shall be subject to the open meeting requirements of Tennessee Code Annotated, title 8, chapter 44, part 1, and the open records requirements which apply to municipalities, compiled in Tennessee Code Annotated, title 10, chapter 7.

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.